



Caravan Industry
Association of Australia

INDUSTRY HEARTBEAT

JUNE 2020 QTR

BDO



Welcome to Heartbeat, our quarterly update on tourist accommodation trends.

This Report provides comparative analysis on changes in Occupancy, Average Daily Rate (ADR) and RevPAR across all three tourist accommodation categories of Cabins, Powered Sites and Unpowered Sites. Our analysis compares the current quarter with the same period last year, over time displaying trends to reflect market changes by state and park size. We define park size by the number of available sites and summarise ADR, Occupancy and RevPAR results in the final tables of the Report.

Key Terms

Average Daily Rate (ADR)

This measure identifies the average tariff for a Cabin, Powered Site or Unpowered Site on a daily basis. It is calculated by dividing total revenue received during the quarter for each accommodation category by the number of nights occupied.

Average Occupancy

This measure expresses the occupancy in percentage terms of Cabins, Powered Sites and Unpowered Sites for the quarter. It is calculated by dividing the number of nights occupied by the number of total available nights during the period.

Revenue Per Available Room (RevPAR)

RevPAR is a tool used to measure the overall success of various categories of accommodation within caravan parks. It is calculated by dividing total revenue received for Cabins, Powered Sites and Unpowered Sites during the quarter by the number of nights available in each accommodation category.

Our Approach

Average Daily Rate (ADR)

Working in collaboration with the Caravan Industry Association of Australia, BDO has collected data on behalf of the Industry from participating parks since October 2015 through our CaravanStats.com.au initiative.

With several years of data now available, we are in a position to incorporate year-on-year changes within this Report relating to overall market changes.

Disclaimer

This Report has been prepared exclusively for the Caravan Industry Association of Australia. BDO does not accept responsibility to any person for the contents of the Report.

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JUN-19 v JUN-20

The June 2020 quarter will go down in history as being one of the most turbulent and uncertain periods for tourism this century.

In an effort to contain the spread of COVID-19, Federal and State governments imposed a range of measures that sought to contain the spread of the Virus. These included broad bans on international travel and shut-downs of many parts of the economy that included tourist parks.

While trading regulations differed between jurisdictions, the caravan industry was hit with both trading restrictions as well as reduced demand from consumers unable to freely move around the country as usual. Not much happened in the June 2020 quarter that was positive for business apart from government intervention that was decisive and showed glimpses of strong leadership that has been desired for so long.

Generally people were working together through unprecedented times during the Quarter, including landlords, employers, staff together with state and federal governments.

Parks generally continued to show their resilience during the COVID-19 downturn, due in part to their diversified product offering and ability to quickly adopt technology. This was evidenced by park occupancy during the period when compared to hotels/motels with some reports suggesting hotel occupancy fell to below 10% at points during the June 2020 quarter.



	% Occupancy	(\$ ADR)	(\$ RevPAR)
Jun-19 QTR	45%	\$147	\$66
Jun-20 QTR	24%	\$110	\$26
Change	-21%	-\$37	-\$39



	% Occupancy	(\$ ADR)	(\$ RevPAR)
Jun-19 QTR	39%	\$46	\$18
Jun-20 QTR	15%	\$37	\$6
Change	-24%	-\$9	-\$12



	% Occupancy	(\$ ADR)	(\$ RevPAR)
Jun-19 QTR	11%	\$40	\$5
Jun-20 QTR	4%	\$32	\$1
Change	-7%	-\$9	-\$3



CABINS

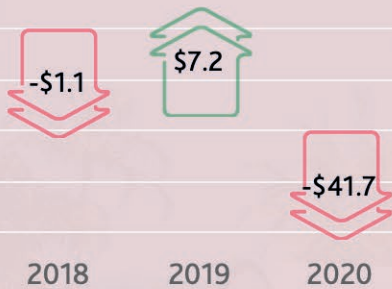
June Quarter - 2017 to 2020

The graphs below show the Year on Year change in RevPAR for Cabins over the past 3 years during the June Quarter.

RevPAR Change

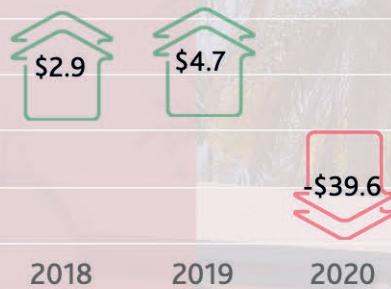
SA

2017 \$63 2020 \$27 3 Yr Diff: -\$36



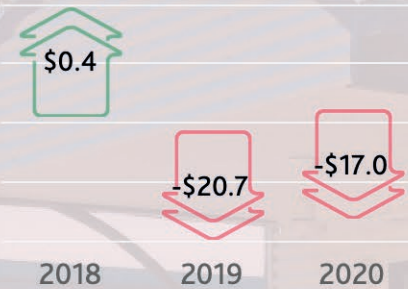
WA

2017 \$65 2020 \$33 3 Yr Diff: -\$32



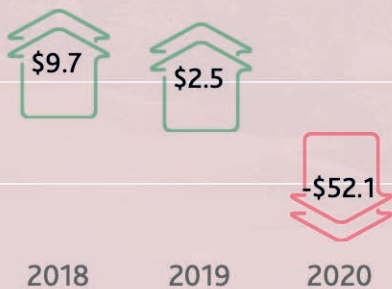
NT

2017 \$63 2020 \$25 3 Yr Diff: -\$38



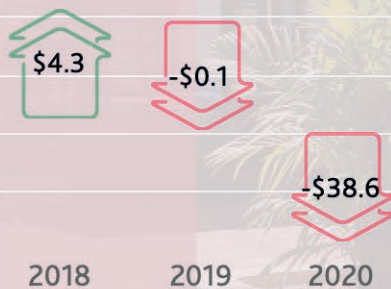
QLD

2017 \$64 2020 \$24 3 Yr Diff: -\$40



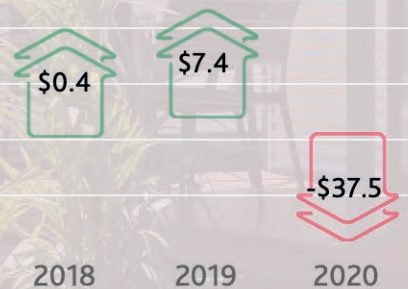
NSW

2017 \$57 2020 \$23 3 Yr Diff: -\$34



VIC

2017 \$59 2020 \$29 3 Yr Diff: -\$30



TAS

2017 \$57 2020 \$27 3 Yr Diff: -\$30





Revenue earned from available tourist park cabins fell sharply across all jurisdictions during the June 2020 quarter.

Results recorded during the June 2020 quarter for Cabins are not reflective of a longer-term industry trend. During 2019, the June quarter mostly saw modest increases in nightly rate with occupancy, measured as demand, holding steady across most states and territories.

This year's unprecedented drop is attributed to the economy-wide impact witnessed as a result of Australia's response to containing the spread of COVID-19. This impact has been felt across all jurisdictions with occupancy rates falling by between 20% to 30% and the average daily rate falling by around \$30 - \$40.

Average Length of Stay increased to 2.8 nights during the June 2020 quarter, suggesting those who could book a cabin chose a longer than usual stay.

As expected, the June 2020 quarter showed weaker than usual performance across our tourist economy. Together with a slightly higher than usual average length of stay, the nature of restrictions put in place saw booking lead times substantially reduce.

Easter and ANZAC Day fell in the June quarter this year. While usually booking lead times would be higher over the Easter Long Weekend, many of these bookings had to cancel due to the restrictions.

The impact of this volume of cancellations (particularly over busy periods) mean that those bookings remaining were more sporadic, with less lead in time than is usual for the June quarter.





CABINS

June Quarter - 2017 to 2020

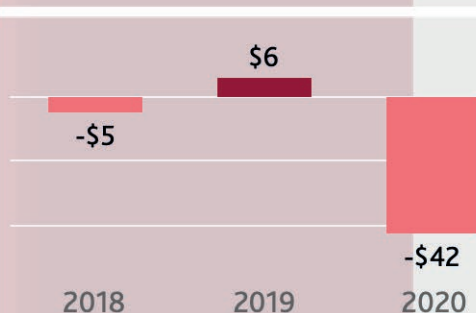
The graphs below show the Year on Year change in Average Daily Rate (\$ ADR) and Average Occupancy for Cabins over the past 3 years during the June Quarter.

(\$ ADR Change

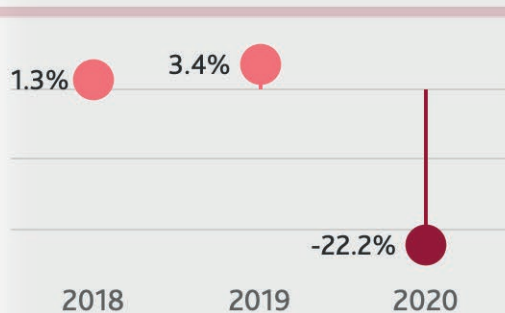
Occupancy Change

SA

2017 \$120 2020 \$79 -\$41

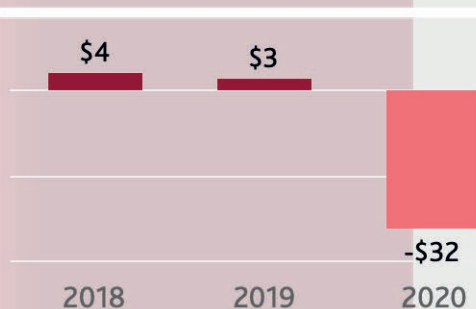


2017 52% 2020 35% -17%

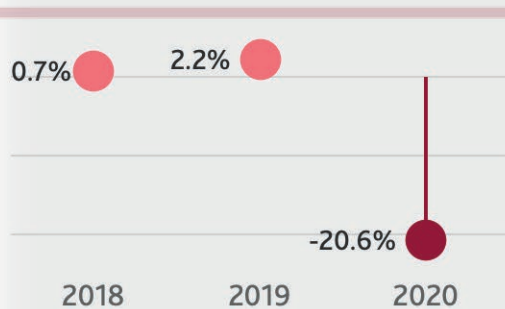


WA

2017 \$140 2020 \$115 -\$25

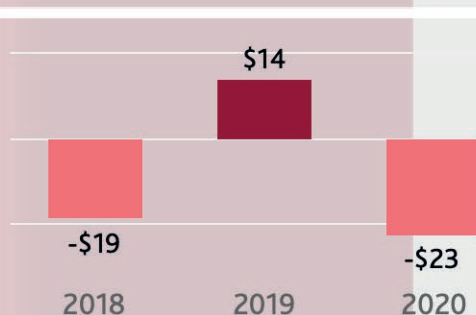


2017 47% 2020 29% -18%

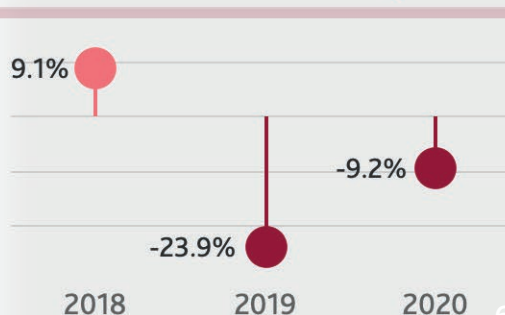


NT

2017 \$126 2020 \$98 -\$28



2017 50% 2020 26% -24%

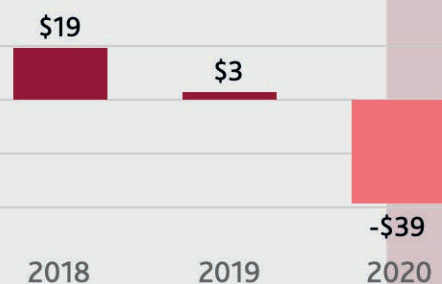


(\$ ADR Change

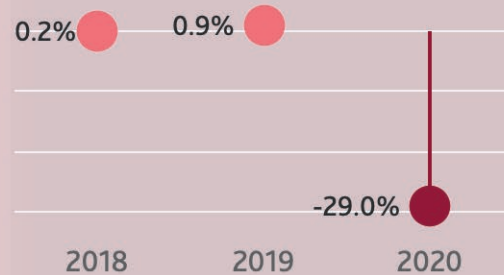
Occupancy Change

QLD

2017 \$130 2020 \$113  -\$17

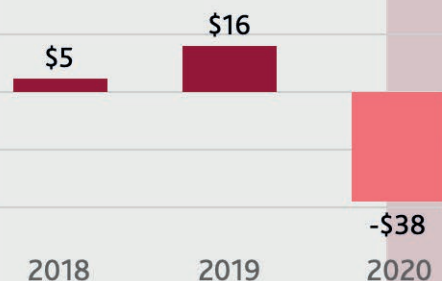


2017 49% 2020 21%  -28%

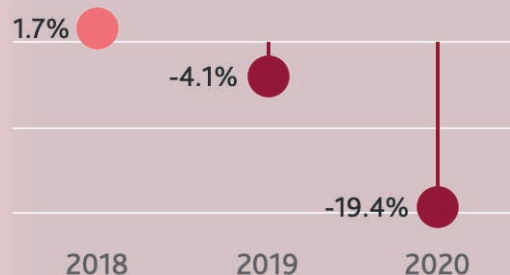


NSW

2017 \$142 2020 \$125  -\$17

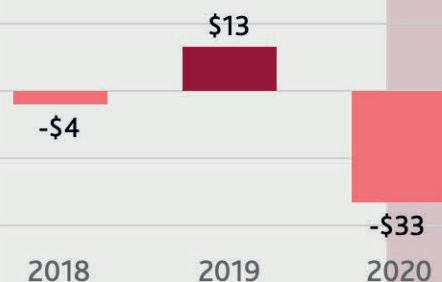


2017 40% 2020 18%  -22%

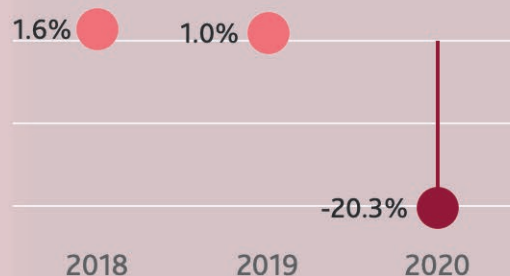


VIC

2017 \$133 2020 \$109  -\$24

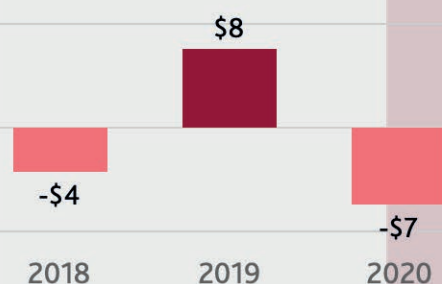


2017 44% 2020 27%  -17%

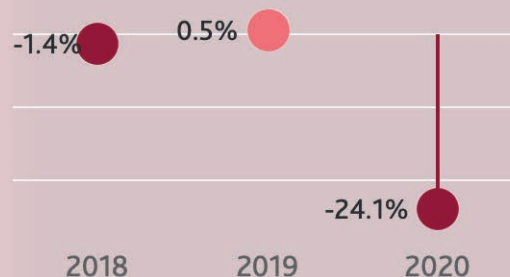


TAS

2017 \$115 2020 \$111  -\$4



2017 50% 2020 25%  -25%





POWERED SITES

June Quarter - 2017 to 2020

The graphs below show the Year on Year change in RevPAR for Powered Sites over the past 3 years during the June Quarter.

RevPAR Change





Continuing an overall trend seen in the June 2020 quarter, Powered Site performance fell sharply compared with last year.

All categories of tourist accommodation, including Powered Sites, performed poorly during the June 2020 quarter which is in line with expectations given the impact of COVID-19 and related social distancing restrictions.

While the nuances of restrictions imposed during the Quarter differed slightly between jurisdictions, the overall impact on the financial performance of Powered Sites measured as the Revenue per Available Room (RevPAR) is broadly consistent. RevPar fell by around \$10 - \$16 across Australia's States and Territories compared with last year. This is not a trend as 2019's results for Powered Sites were broadly positive across Australia's major jurisdictions when compared with the previous (2018) year.

While both Occupancy and daily rates charged for Powered Sites fell during the Jun-20 quarter, price discounting was in general terms fairly modest, falling by less than \$10 to an Average Daily Rate of \$38 in QLD and NSW.

Occupancy on the other hand noticed a more substantial drop of between 20% to 30% across jurisdictions, which roughly mirrors the same result for Cabins during the quarter.

While average daily rates were generally lower, guests who were able to book a powered site tended to stay for longer (3.8 nights, up from 3.1 nights last year) and had a higher than usual overall booking spend of \$153. We suggest this indicates a strong desire remains in the economy for powered sites which will assist tourist parks during the recovery phase as COVID-19 related restrictions begin to ease.

A lot of travellers were unable to move during lockdowns which may have also contributed to increasing booking value and length. This seemed to impact Powered Sites as they were likely to have been proportionately more impacted by state border lock-downs, being a long way from home with a large investment (caravan or motorhome) attached to their travel movements.





POWERED SITES

June Quarter - 2017 to 2020

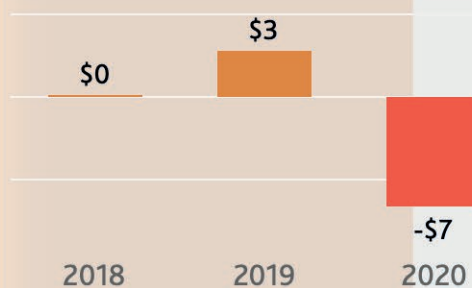
The graphs below show the Year on Year change in Average Daily Rate (\$ ADR) and Average Occupancy for Powered Sites over the past 3 years during the June Quarter.

(\$ ADR Change

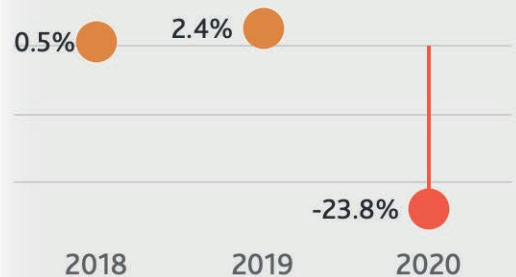
Occupancy Change

SA

2017 \$34 2020 \$30 -\$4

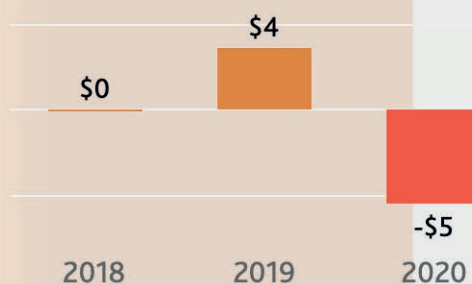


2017 39% 2020 18% -21%

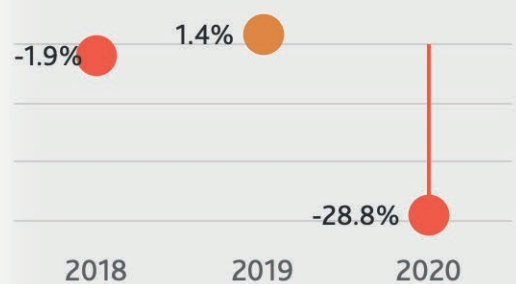


WA

2017 \$41 2020 \$39 -\$2

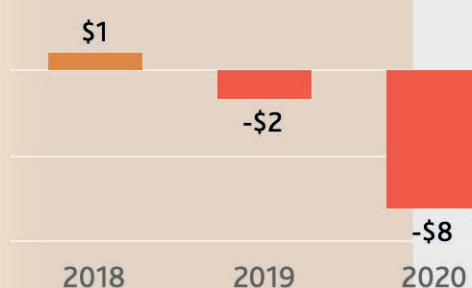


2017 48% 2020 18% -30%

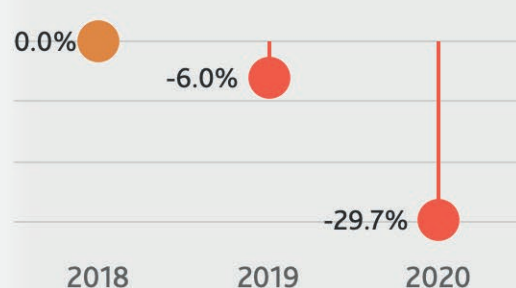


NT

2017 \$45 2020 \$36 -\$9



2017 41% 2020 6% -35%

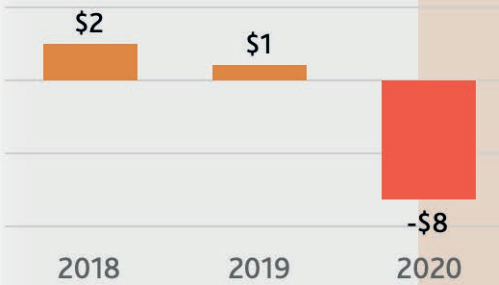


(\$) ADR Change

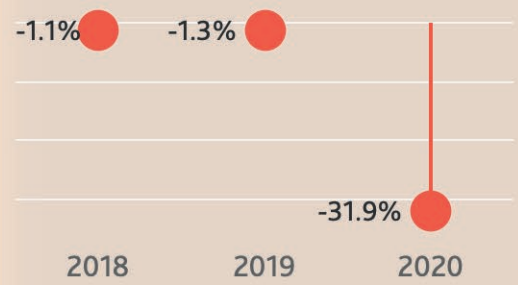
Occupancy Change

QLD

2017 \$42 2020 \$38  -\$4

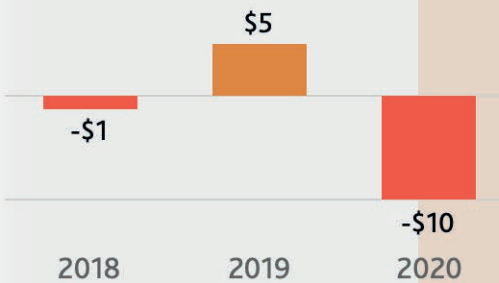


2017 52% 2020 18%  -34%

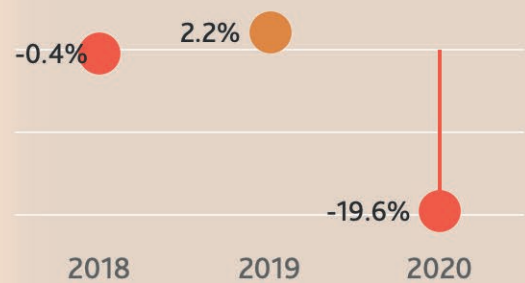


NSW

2017 \$45 2020 \$38  -\$7

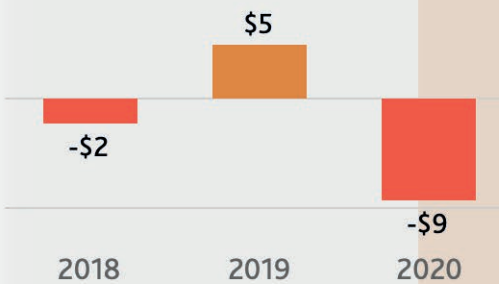


2017 32% 2020 14%  -18%

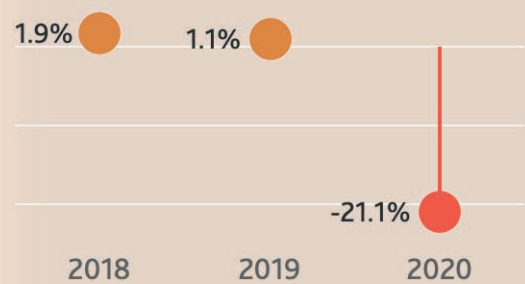


VIC

2017 \$43 2020 \$36  -\$7

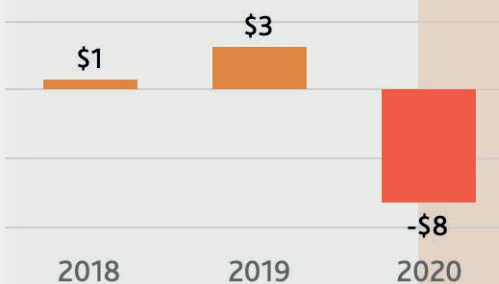


2017 30% 2020 12%  -18%

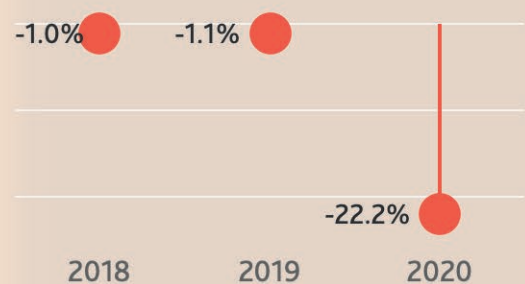


TAS

2017 \$34 2020 \$30  -\$4



2017 40% 2020 16%  -24%





UNPOWERED SITES

June Quarter - 2017 to 2020

The graphs below show the Year on Year change in RevPAR for Unpowered Sites over the past 3 years during the June Quarter.

RevPAR Change



 Booking Lead Time	7.9 Days 15.1 Days Last Year
 Average Stay	2.3 Nights 2.1 Nights Last Year
 Booking Value	\$75 Inc. GST \$79 Inc. GST Last Year

Demand for Unpowered Sites fell to almost non-existent levels during the June 2020 Quarter.

Unpowered Sites tend to perform reasonably well during the June Quarter, particularly over Easter as tourist parks often reach capacity and Unpowered Sites are used as overflow.

In all jurisdictions apart from NT, the average daily rate for Unpowered Sites increase in 2019 with occupancy mostly remaining stable and improving in VIC, WA and SA. RevPAR also remained strong, increasing in all jurisdictions (excluding NT).

Noting the impact of restrictions in response to containing the spread of COVID-19, demand for tourist accommodation fell across the board. This drop in demand was acutely felt in Unpowered Sites that were unable to be used, particularly as overflow during peak public holiday periods.

The highest occupancy rates were recorded in WA (8%), down from 31% in 2017 and QLD (6%), down from 16% in 2017.

Together with Cabins and Powered Sites, we suggest this is not reflective of a broader trend and is the result of COVID-19 based restrictions. RevPAR in 2019 increased for Unpowered Sites in all jurisdictions excluding the Northern Territory.

Booking Lead Times decreased and Average Length of Stay increased, continuing the trend seen in Cabins and Powered Sites.

While those who could get away for a camping / caravanning adventure on an unpowered site generally stayed for longer at 2.4 nights, up from 2.1 nights last year, their overall booking value was less than last year. Across Cabins and Powered Sites a higher average length of stay was common during the Jun-20 quarter. This usually resulted in a higher booking value, which was not seen in Unpowered Sites, probably due to the comparative level of rate discounting applied during the Quarter given step reductions in demand during peak periods where rates would usually be higher.





UNPOWERED SITES

June Quarter - 2017 to 2020

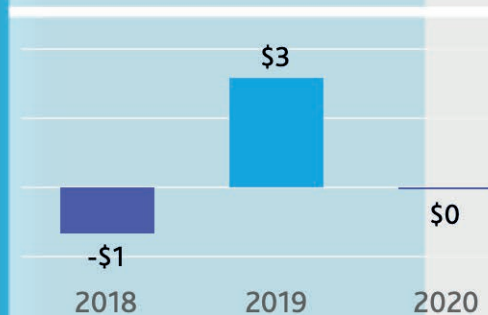
The graphs below show the Year on Year change in Average Daily Rate (\$ ADR) and Average Occupancy for Unpowered Sites over the past 3 years during the June Quarter.

(\$ ADR Change

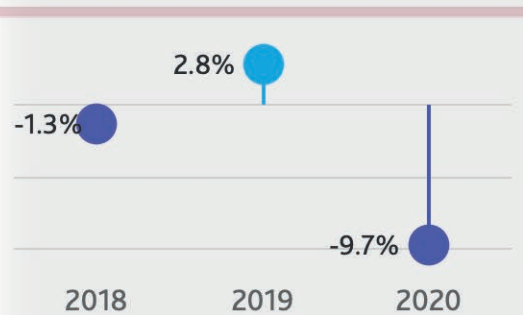
Occupancy Change

SA

2017 \$31 2020 \$33 \$2



2017 12% 2020 3% -9%

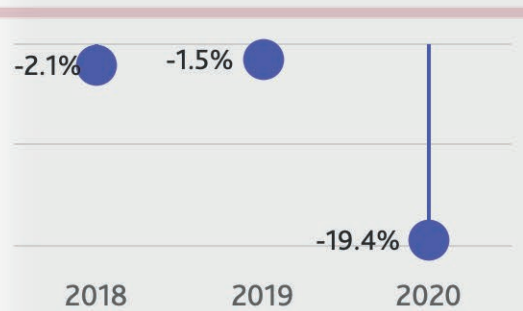


WA

2017 \$37 2020 \$26 -\$11

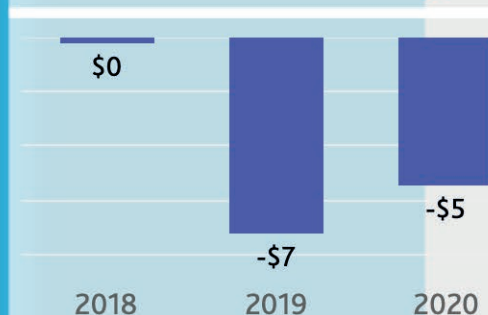


2017 31% 2020 8% -23%

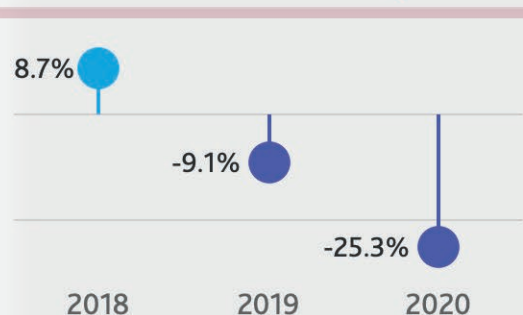


NT

2017 \$35 2020 \$22 -\$13



2017 28% 2020 2% -26%

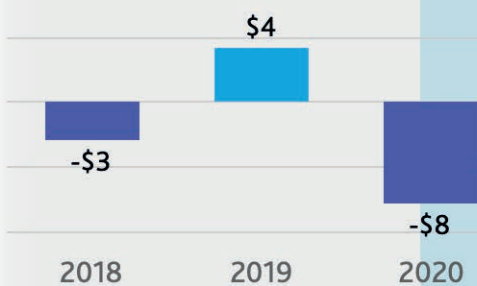


(\$) ADR Change

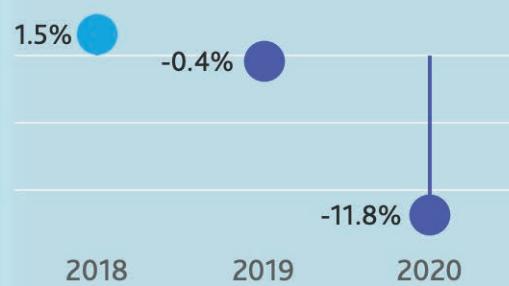
Occupancy Change

QLD

2017 \$39 2020 \$32  -\$7

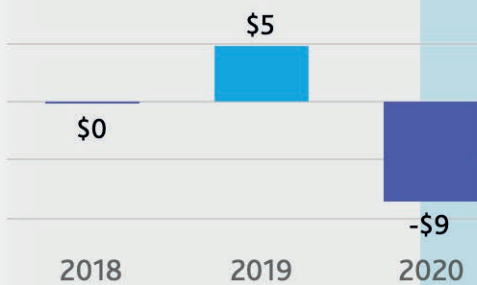


2017 16% 2020 6%  -10%



NSW

2017 \$36 2020 \$32  -\$4

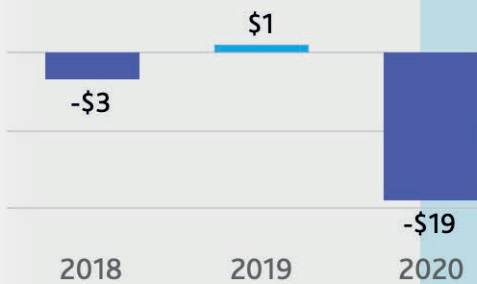



2017 8% 2020 4%  -4%

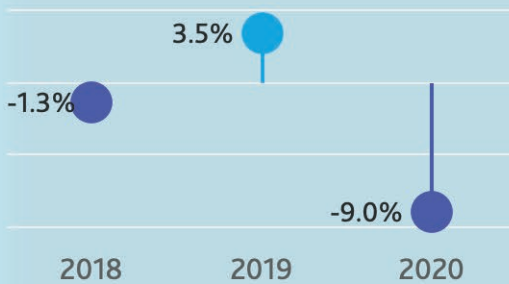


VIC

2017 \$47 2020 \$26  -\$21

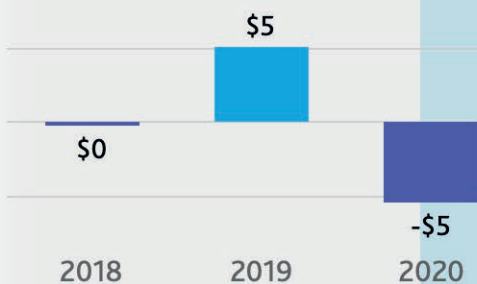



2017 8% 2020 2%  -6%

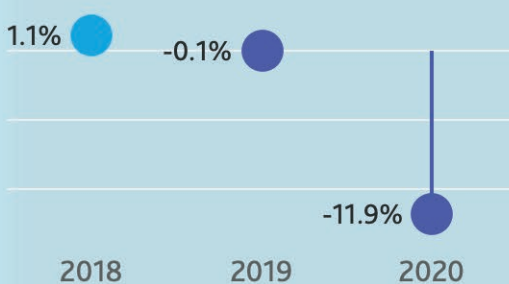


TAS

2017 \$36 2020 \$36  \$0



2017 13% 2020 2%  -11%



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DATA TABLES

Detailed quarterly accommodation performance measures based on Park Size (number of sites), State and Category Type are provided in the following pages.

ADR, OCCUPANCY & REVPAR TABLES

Category	State	Sites in Park	(\$ ADR			(% Occupancy			(\$ RevPAR			Parks In Sample
			2019	2020	Diff.	2019	2020	Diff.	2019	2020	Diff.	
Cabins June Quarter	NSW	< 15 Sites	\$138	\$110	-\$28	53%	32%	-21%	\$74	\$35	-\$39	40
		16-35 Sites	\$148	\$116	-\$32	43%	23%	-20%	\$64	\$27	-\$37	56
		36-55 Sites	\$172	\$129	-\$43	44%	20%	-24%	\$76	\$26	-\$50	13
		> 55 Sites	\$202	\$161	-\$41	24%	9%	-15%	\$48	\$14	-\$34	10
	NT	36-55 Sites	\$116	\$88	-\$28	43%	28%	-15%	\$51	\$25	-\$26	3
	QLD	< 15 Sites	\$139	\$128	-\$11	50%	30%	-20%	\$69	\$38	-\$31	17
		16-35 Sites	\$139	\$108	-\$31	55%	28%	-27%	\$76	\$30	-\$46	18
		36-55 Sites	\$147	\$87	-\$60	68%	30%	-38%	\$100	\$26	-\$74	4
		> 55 Sites	\$171	\$124	-\$47	41%	13%	-28%	\$70	\$16	-\$54	7
	SA	< 15 Sites	\$113	\$92	-\$21	54%	29%	-25%	\$61	\$27	-\$34	8
		16-35 Sites	\$129	\$105	-\$24	55%	36%	-19%	\$71	\$38	-\$33	7
		36-55 Sites	\$126	\$80	-\$46	55%	34%	-21%	\$70	\$27	-\$43	8
		> 55 Sites	\$115	\$64	-\$51	60%	37%	-23%	\$69	\$23	-\$46	4
	TAS	16-35 Sites	\$117	\$108	-\$9	52%	25%	-27%	\$61	\$27	-\$34	5
	VIC	< 15 Sites	\$113	\$100	-\$13	48%	37%	-11%	\$54	\$36	-\$18	19
		16-35 Sites	\$130	\$97	-\$33	50%	26%	-24%	\$65	\$25	-\$40	25
		36-55 Sites	\$169	\$124	-\$45	43%	28%	-15%	\$73	\$35	-\$38	8
		> 55 Sites	\$161	\$135	-\$26	43%	19%	-24%	\$69	\$26	-\$43	3
	WA	< 15 Sites	\$152	\$117	-\$35	53%	25%	-28%	\$81	\$30	-\$51	6
		16-35 Sites	\$162	\$115	-\$47	50%	31%	-19%	\$81	\$36	-\$45	18
		36-55 Sites	\$129	\$106	-\$23	55%	22%	-33%	\$71	\$23	-\$48	3
		> 55 Sites	\$140	\$115	-\$25	48%	29%	-19%	\$68	\$34	-\$34	9

ADR, OCCUPANCY & REVPAR TABLES

Category	State	Sites in Park	(\$ ADR			(% Occupancy			(\$ RevPAR			Parks In Sample
			2019	2020	Diff.	2019	2020	Diff.	2019	2020	Diff.	
Powered Sites June Quarter	NSW	< 15 Sites	\$38	\$29	-\$9	32%	40%	8%	\$12	\$12	\$0	7
		16-35 Sites	\$39	\$33	-\$6	37%	21%	-16%	\$14	\$7	-\$7	20
		36-55 Sites	\$39	\$35	-\$4	39%	21%	-18%	\$15	\$7	-\$8	16
		> 55 Sites	\$50	\$40	-\$10	33%	13%	-20%	\$17	\$5	-\$12	72
	NT	> 55 Sites	\$44	\$36	-\$8	35%	6%	-29%	\$15	\$2	-\$13	4
	QLD	36-55 Sites	\$40	\$35	-\$5	46%	15%	-31%	\$18	\$5	-\$13	7
		> 55 Sites	\$46	\$38	-\$8	51%	18%	-33%	\$23	\$7	-\$16	38
	SA	36-55 Sites	\$42	\$30	-\$12	46%	24%	-22%	\$19	\$7	-\$12	6
		> 55 Sites	\$36	\$31	-\$5	42%	17%	-25%	\$15	\$5	-\$10	20
	TAS	16-35 Sites	\$36	\$28	-\$8	44%	13%	-31%	\$16	\$4	-\$12	4
		36-55 Sites	\$39	\$31	-\$8	31%	18%	-13%	\$12	\$5	-\$7	5
	VIC	< 15 Sites	\$37	\$34	-\$3	24%	41%	17%	\$9	\$14	\$5	5
		16-35 Sites	\$38	\$31	-\$7	34%	21%	-13%	\$13	\$7	-\$6	14
		36-55 Sites	\$43	\$35	-\$8	34%	11%	-23%	\$14	\$4	-\$10	13
		> 55 Sites	\$48	\$38	-\$10	32%	10%	-22%	\$15	\$4	-\$11	20
	WA	36-55 Sites	\$45	\$33	-\$12	45%	24%	-21%	\$20	\$8	-\$12	7
		> 55 Sites	\$45	\$40	-\$5	47%	17%	-30%	\$21	\$7	-\$14	21

ADR, OCCUPANCY & REVPAR TABLES

Category	State	Sites in Park	(\$ ADR			(% Occupancy			(\$ RevPAR			Parks In Sample
			2019	2020	Diff.	2019	2020	Diff.	2019	2020	Diff.	
Unpowered Sites June Quarter	NSW	< 15 Sites	\$43	\$32	-\$11	22%	11%	-11%	\$9	\$3	-\$6	22
		16-35 Sites	\$41	\$33	-\$8	18%	8%	-10%	\$7	\$2	-\$5	21
		36-55 Sites	\$49	\$39	-\$10	16%	5%	-11%	\$8	\$2	-\$6	4
		> 55 Sites	\$40	\$32	-\$8	6%	3%	-3%	\$2	\$1	-\$1	15
	QLD	< 15 Sites	\$35	\$31	-\$4	18%	7%	-11%	\$6	\$2	-\$4	10
		16-35 Sites	\$41	\$29	-\$12	24%	9%	-15%	\$10	\$3	-\$7	8
		> 55 Sites	\$40	\$33	-\$7	16%	5%	-11%	\$6	\$2	-\$4	5
	SA	< 15 Sites	\$35	\$33	-\$2	19%	7%	-12%	\$7	\$2	-\$5	4
		16-35 Sites	\$32	\$27	-\$5	18%	3%	-15%	\$6	\$1	-\$5	5
		> 55 Sites	\$34			11%			\$4		-\$4	4
	TAS	< 15 Sites	\$34			6%			\$2		-\$2	3
	VIC	< 15 Sites	\$45	\$25	-\$20	19%	6%	-13%	\$8	\$2	-\$6	6
		16-35 Sites	\$38	\$24	-\$14	11%	3%	-8%	\$4	\$1	-\$3	5
		> 55 Sites	\$47	\$29	-\$18	11%	1%	-10%	\$5	\$0	-\$5	6
	WA	< 15 Sites	\$34	\$16	-\$18	26%	19%	-7%	\$9	\$3	-\$6	8
		16-35 Sites	\$37	\$32	-\$5	35%	9%	-26%	\$13	\$3	-\$10	6

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